

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 9/15/2015	(3) CONTACT/PHONE Nikki J. Schmidt 805/781-5496	
(4) SUBJECT Submittal of the FY 2014-15 Year-End Financial Status Report. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Receive, review, and file the FY 2014-15 Year-End Financial Status Report; 2. Approve a request for Relief from Accountability in the amount of \$2,055 for a non-collectible balance on behalf of FC 405 – Public Works Internal Service Fund; 3. Approve a request for Relief from Accountability in the amount of \$13,947 on behalf of FC 180 – Social Services for client overpayments for non-collectable debt for CalWORKs, CalFresh and General Assistance programs; 4. Approve a request for Relief from Accountability in the amount of \$19,382 on behalf of FC 160 – Public Health for Environmental Health Services accounts that have been determined non-collectible; 5. Approve a request for Relief from Accountability in the amount of \$23,048 on behalf of FC 160 – Public Health for Public Health Laboratory accounts that have been determined to be non-collectable; 6. Approve a budget adjustment in the amount of \$311,896 using a contribution from the Cambria Friends of the Library to pay down the loan from the General Government Building Replacement Fund by 4/5 vote; and 7. Approve a request to declare seventeen (17) vehicles as surplus, authorize removal from County fleet, and authorize their sale to recover value in accordance with County Code 2.36.030(5). 			
(6) FUNDING SOURCE(S) Relief from Accountability	(7) CURRENT YEAR FINANCIAL IMPACT (\$58,432.00)	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30 minutes</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516025 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Administrative Office / Nikki J. Schmidt
805/781-5496

DATE: 9/15/2015

SUBJECT: Submittal of the FY 2014-15 Year-End Financial Status Report. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Receive, review, and file the FY 2014-15 Year-End Financial Status Report;
2. Approve a request for Relief from Accountability in the amount of \$2,055 for a non-collectible balance on behalf of FC 405 – Public Works Internal Service Fund;
3. Approve a request for Relief from Accountability in the amount of \$13,947 on behalf of FC 180 – Social Services for client overpayments for non-collectable debt for CalWORKs, CalFresh and General Assistance programs;
4. Approve a request for Relief from Accountability in the amount of \$19,382 on behalf of FC 160 – Public Health for Environmental Health Services accounts that have been determined non-collectible;
5. Approve a request for Relief from Accountability in the amount of \$23,048 on behalf of FC 160 – Public Health for Public Health Laboratory accounts that have been determined to be non-collectable;
6. Approve a budget adjustment in the amount of \$311,896 using a contribution from the Cambria Friends of the Library to pay down the loan from the General Government Building Replacement Fund by 4/5 vote; and
7. Approve a request to declare seventeen (17) vehicles as surplus, authorize removal from County fleet, and authorize their sale to recover value in accordance with County Code 2.36.030(5).

DISCUSSION

Overview

This Year-End Financial Status Report is intended to provide the Board of Supervisors and the public with an overview of the County's financial performance through the end of Fiscal Year (FY) 2014-15. The financial reports presented to the Board for the first three quarters of FY 2014-15 contained exception reporting only (i.e. no mention was made if the financial status of the fund center was as expected at that time). This Year-End Financial Status Report contains an overview of the drivers behind the significant variance between budgeted and actual use of General Fund dollars. Also provided is information about fund centers for which significant issues were reported in prior quarterly reports

The Year-End Financial Status Report is divided into six sections:

- **Section 1** - an overview of the County's financial position at the end of the fiscal year, as well as brief summaries of noteworthy departmental fiscal and operational issues.
- **Section 2** - a listing of all personnel changes approved by the Board of Supervisors during the fourth quarter.
- **Section 3** - an update on the Completed Capital and Maintenance Projects managed by the General Services Department.
- **Section 4** - an update on the Completed Capital and Maintenance Projects managed by the Public Works Department.
- **Section 5** - miscellaneous items for the Board's consideration, such as requests from departments for discharge of bad debt.
- **Section 6** - an overview of departmental goals and performance measures in FY 2014-15.

Executive Summary

The overall spending levels and revenue receipts at the end of FY 2014-15 were generally consistent with prior years. General Fund expenditures were 92% of budget, while General Fund revenues were realized at 102% of budget.

The Auditor-Controller-Treasurer-Tax Collector's Office reported that the actual year-end Fund Balance Available (FBA) for the General Fund was \$39,685,220. This was \$4,175,491 million higher than the \$35,509,729 million included in the FY 2015-16 budget. The two variables that drive FBA are actual revenues compared to budgeted amounts and actual expenditures compared to budgeted amounts. FY 2014-15 non-departmental revenues ended the year 14% or \$23,012,989 million over adopted levels. This increase is primarily driven by an increase in sales tax revenue related to the solar plants, the accelerated re-payment by the State of pre-2004 SB 90 claims, and higher than budgeted property tax revenue.

Nearly all County departments ended the year at or below their budgeted level of General Fund support. This contributed approximately \$6,021,159 million in savings to the General Fund. Court Operations was \$554,879 higher than budgeted while the Public Defender finished the year \$20,421 above the budgeted level of General Fund support. Eight County departments finished the year \$200,000 or more below their budgeted level of General Fund support. In the 3rd quarter of FY 2014-15, the Board of Supervisors, Auditor-Controller-Treasurer-Tax Collector, Agricultural Commissioner and Farm Advisor fund centers reported that they would not be able to absorb the expense associated with the negotiated salary and benefit increases that were approved by the Board in November 2014. To enable those departments to cover this unbudgeted expense, a total of \$244,295 was appropriated from General Fund contingencies to these departments. Subsequent to that approval, at year end, these departments combined were a total of \$320,520 below their adjusted General Fund support netting to \$76,225 being returned to the General Fund.

FY 2014-15 performance measure results are generally consistent with results from prior years, although there was a slight increase in the number of measures that were "not met" or "exceeded", compared to the prior year. As noted above, 80 (37%) of the targets were not met in FY 2014-15 which is slightly higher compared to the 78 (36%) of targets not met in FY 2013-14. Eighty-two (38%) of the FY 2014-15 measures exceeded their targets; a slight increase compared to the 79 (36%) measures that exceeded their targets in FY 2013-14. It is important to note that the increase in measures "not met" does not necessarily indicate a decrease in performance level as some departments use stretch targets and some performance measures have changed from the prior year.

There are several factors that contribute to actual performance meeting or exceeding targets including the use of technology, staffing changes (e.g. a shift in focus of staff on different priorities or vacancies) and departments finding new ways to provide services, new regulations that change the way services are provided, and public outreach programs that inform the public about County services. A more detailed summary of departmental performance can be found in Section 6 of the report.

The performance measures for each County department and their FY 2014-15 results can be found in the Clerk Recorder's Office (Clerk's Filed) and on the County's website

http://www.slocounty.ca.gov/admin/Resources/FY_2014-15_Performance_Measure_Results.htm

OTHER AGENCY INVOLVEMENT/IMPACT

All departments contributed to the development of this report.

FINANCIAL CONSIDERATIONS

Approval of the recommendations in this report will allow for the discharge of \$58,432 of bad debt on behalf of County departments. In November 2014, the Board approved the acceptance of \$383,908 contribution from the Friends of the Cambria Library and authorized a \$72,012 increase to the Library Facilities Planning Reserve and a \$311,896 increase to the Government Building Replacement Reserve. To facilitate the increase to the Government Building Replacement Reserve, a corresponding transfer out should have been made from the Library Facilities Planning Reserve; however, a request for a budget adjustment to do that was inadvertently not included in the requested Board action.

Details are provided in Section 5 of the Year-End Financial Status Report and the associated Attachment 1.

RESULTS

This report provides the Board of Supervisors and the public with an overview of the County's financial position at the end of FY 2014-15.

ATTACHMENTS

1. FY 2014-15 Year-End Financial Status Report
2. Attachment 1 - Miscellaneous letters and reports
3. FY 2014-15 Performance Measures - Clerk's Filed